



Date: September 30, 2011

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Reginald J. Johnson, Interim Director
Department of Community Development
Subject: Continuum of Care Funding Recommendations

Executive Summary

This year, the City of Durham has become the lead agency for Durham's Continuum of Care (CoC) for the provision of housing and support services to Durham's homeless population. In addition to coordinating the community's response to homelessness, the CoC annually applies for U.S. Department of Housing and Urban Development (HUD) funds available through the CoC Homeless Assistance Competition. Federally supported CoC Homeless Assistance Programs are intended to reduce the incidence of homelessness by assisting homeless individuals and families in quickly transitioning to self-sufficiency and permanent housing, as authorized under Title IV of the federal McKinney-Vento Homeless Assistance Act (Public Law 100-77).

This memo requests that the City Council approve the rankings of the Homeless Services Advisory Committee (HSAC) for funding two new CoC projects in the 2011 CoC Homeless Assistance Competition. This City Council approval will allow the Department of Community Development to submit the CoC grant application in HUD's online system before the October 28, 2011 deadline.

Recommendation

The Department of Community Development recommends that the City Council accept the recommendations of the HSAC and confirm the following grant applications for new projects in the 2011 CoC Homeless Assistance Competition:

1. \$368,073.00 for the Goley Pointe project of Development Ventures, Inc. Development Ventures, Inc. (DVI) is the nonprofit development component of the Durham Housing Authority (DHA).
2. \$106,001.00 for the Streets to Home Initiative of Housing for New Hope, Inc. Housing for New Hope, Inc. is a nonprofit organization.

Background

HUD notified the Department in June 2011 that the Durham CoC would be eligible to apply for \$706,674.00 in the 2011 CoC Homeless Assistance Competition and a separate "Permanent Housing Bonus" equal to 15% of the above \$706,674.00 or \$106,001.00. The Permanent Housing Bonus may only be used to serve homeless disabled families, or chronically homeless individuals and chronically homeless families. To qualify for the

Permanent Housing Bonus, a CoC must request funding for one or more new permanent housing projects.

The five following existing projects are eligible to apply to HUD for \$355,413.00 of the \$706,674.00:

Grantee Name	Project Name	Type of Project	Annual Renewal Amount
Urban Ministries of Durham	Community Supportive Housing	Permanent Supportive Housing	\$62,345.00
Housing for New Hope	Andover I Apartments	Permanent Supportive Housing	\$21,761.00
Housing for New Hope	Andover II Apartments	Permanent Supportive Housing	\$24,150.00
Genesis Home	Turning Point	Permanent Supportive Housing	\$72,158.00
Genesis Home	Family Matters	Transitional Housing	\$174,999.00
TOTAL			\$355,413.00

This renewal funding allows these organizations to continue to operate these programs which have been approved for funding in previous CoC funding competitions. The remaining \$351,261.00 is available for a new project to provide permanent supportive housing or transitional housing for homeless people.

Genesis Home decided to apply for only \$55,346.00 of its full renewal amount of \$72,158.00 for its Turning Point permanent supportive housing project because it has not needed the entire supportive services budget. This enabled the CoC to increase the amount available for a new project to \$368,073.00 and decrease the corresponding total for renewals to an actual amount of \$338,601.00

Historically, renewal projects in Durham have been automatically approved by the CoC for continued funding as long as they are continuing to meet the performance measures of the original application and are meeting the minimum project eligibility, capacity, timeliness and performance standards identified in HUD's Notice of Funding Availability. In 2011, review of renewal projects is being conducted by the Department of Community Development. HUD is moving all existing projects to annual renewal

The Department announced the availability of CoC grant funds via advertisements in the *Herald-Sun* and *Carolina Times*, the Department website, and various electronic list-serves and groups. The Initial Application for CoC funds and the Scorecard used to rate the applications were explained at a workshop on August 3 attended by nineteen people from fifteen organizations. The Application and Scorecard also were posted on the Department website.

Two applications were received for the \$368,073.00 by the September 2nd deadline:

1. Goley Pointe: DVI and the DHA proposed to develop 20 energy efficient units in a mixed-income community in Northeast Central Durham. Twelve units would be designated for homeless families with incomes at or below 50% of the Area Median Income. Total development construction costs are estimated at \$2,677,503.00. The DHA and DVI

Boards have committed \$1,421,260.00 to the project. DVI is seeking a construction loan of up to \$1,230,000.00. The CoC grant will allow for a lower construction loan requirement.

2. Transitions to Permanence Collaborative: Housing for New Hope submitted the proposal on behalf of a public/private partnership comprising The Durham Center, Durham County Department of Social Services, Durham Crisis Response Center, Durham Interfaith Hospitality Network, Durham System of Care, Genesis Home, Urban Ministries of Durham, and Housing for New Hope. The program proposed to implement a Transition-in-Place program to assist forty homeless families annually. Total cash project budget was presented as \$420,962.00.

One application was received for the Permanent Housing Bonus of \$106,001.00:

Streets to Home Initiative: Housing for New Hope proposed to offer housing assistance, financial support, and linkage to support services to ten chronically homeless households. The project's total budget was presented as \$119,568.00.

The Citizens Advisory Committee served as an unbiased review panel, scoring the three Initial Applications using the Scorecard. Department staff and *Opening Doors* personnel trained the Citizens Advisory Committee and provided impartial support during the review process. The Citizens Advisory Committee ranked the proposals in order from strongest to weakest as Goley Pointe, Streets to Home Initiative, and Transitions to Permanence Collaborative. The Committee presented its findings and ranking to the HSAC in its *Continuum of Care Grant Program Application Evaluation & Recommendation Report*.

The HSAC reviewed the report of the Citizens Advisory Committee and the final applications that the organizations entered into HUD's online system after the publication of HUD's Notice of Funding Availability on August 30, 2011. Applicants also made brief presentations to the HSAC and the HSAC accepted comments about the applications and applicants from the public at its September 27, 2011 meeting. Based on these four sources of information, the HSAC agreed to recommend the projects to the City Council in the ranking order suggested by the Citizens Advisory Committee by a 10-6 vote.

In summary, the HSAC recommends the City Council grant approval for the Durham CoC to submit the following two grant applications for new project funding in the 2011 CoC Homeless Assistance Competition:

1. \$368,073.00 for the Goley Pointe project of Development Ventures, Inc.
2. \$106,001.00 for the Streets to Home Initiative of Housing for New Hope, Inc.

Issues and Analysis

The Citizens Advisory Committee scored the Initial Applications in five areas: Organizational Capacity; Correctness of the Application; Budget, Leverage, and Match; HUD Priorities; and Scope of Services. The three applications received average scores in each area as follows:

Organization	Project Name	Org. Capacity Score (16 pts)	Correctness of Application (16 pts)	Budget, Leverage, & Match (18 pts)	HUD Priorities (42 pts)	Scope of Services (8 pts)	TOTAL (100 pts. Possible)
Development Ventures	Goley Pointe	16	16	18	40	8	98

Housing for New Hope	Streets to Homes	13	16	18	40	8	95
Housing for New Hope	Transitions to Permanence	13	16	18	7	8	62

Goley Pointe's Initial Application received an average score of 98 of 100 possible points and an overall appraisal of exceptional. The Streets to Home Initiative received an average score of 95 of 100 points and an overall appraisal of strong.

The Transitions to Permanence project received a 62 and an overall appraisal of weak. The committee scored the application weakest in the area of meeting HUD priorities, with an average score of only seven of a possible 40 points. HUD's priorities include housing for chronically homeless people, homeless veterans, and disabled homeless people and a preference for permanent supportive housing projects. Though acknowledging that the Transition-in-Place model is a best practice permanent housing program model, the committee indicated that the application presented a "project concept rather than a project design."

Alternatives

The City Council may approve the recommendations of the Department and the Homeless Services Advisory Committee. This would allow the CoC to apply for a total of \$474,074.00 for the Goley Pointe project and the Streets to Home Initiative.

The City Council may choose to divide the funds available for a new project, \$368,073.00, between the Goley Pointe project and the Transitions to Permanence project as it desires. This would increase the loan amount the Goley Pointe project needs to move forward, negatively impacting the project's capital budget. Funding the Transitions to Permanence project would fund a project not highly recommended by the unbiased review panel and the HSAC.

The City Council may choose to reject the Goley Pointe project and fund the Transitions to Permanence project.

The City Council may choose to approve only the Goley Pointe project or the Transitions to Permanence project and not approve the Streets to Home Initiative. This would deny funding for the Streets to Home Initiative and cancel the project.

If the City Council chooses to not approve funding for either the Goley Pointe or Transitions to Permanence project, the Durham community will not be eligible to receive the Permanent Housing Bonus for the Streets to Home Initiative, since, to qualify for the Permanent Housing Bonus, a CoC must request funding for one or more new permanent housing projects. This would result in a loss of \$474,074.00 for the creation of permanent housing for Durham's homeless people.

Financial Impact

This decision will have no direct impact on the City of Durham's budget or on the budget of the Department of Community Development.

SDBE Summary

Not applicable.

Attachments

List of Homeless Services Advisory Committee Members

List of Citizens Advisory Committee Members

**Executive Summary of the CAC's "Continuum of Care Grant Program Application
Evaluation & Recommendation Report"**